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SUBJECT: DEBATE ON THE BUDGET VOTE OF THE PRESIDENCY

¶1. (U) On June 24 Poloff attended the budget vote of the Presidency in Parliament. This vote complements the State of the Nation debates held earlier this month. During the State of the Nation Address 10 priorities for government over the next five years were outlined and government made a commitment to speed up economic growth and transform the economy to create employment and sustainable development for all.

¶2. (U) Speaking in the National Assembly, President Jacob Zuma explained a number of issues that were mentioned in the State of the Nation address, particularly the rationale behind the new ministries and departments. He said he had been questioned over why it was necessary to have both the Trade and Industry Department and the Economic Development Department. He said trade matters would require a strong focus to have a direct impact on industrial organization and output, while the economic development portfolio would have a strong domestic focus and would address, among other things, matters of macro- and micro-economic development planning. He also stressed the importance of improved service delivery amongst civil servants, but did not have much sympathy for the concerns of state employees, such as doctors, who are threatening strike action for more money. He said, "We have to introduce, without delay, a culture of hard work, courtesy and accountability by staff in the public service." On an international level Zuma said South Africa will continue to participate in international forums and strengthen its relations with regions and nations of the world. He highlighted South Africa's commitment to the African continent and said the government would continue to advance the implementation of the New Partnership for Africa's Development and will prioritize regional integration. He said South Africa would continue to assist in peacekeeping operations and in the reconstruction and development of the African continent. Zuma said that as the current Chair of SADC South Africa would continue to support the Government in Zimbabwe and render whatever assistance it could and urged other countries to assist in Zimbabwe's recovery. He highlighted the importance of IBSA (policy collaboration among India, Brazil and South Africa) when he said "for us, the strategic partnership with India, Brazil and China constitutes a critical pillar of our international relations."

¶3. (U) In response to Zuma's budget speech, Democratic Alliance (DA) Parliamentary leader, Athol Trollip said it was imperative that President Zuma distance his government from the ANC's tripartite alliance partners -- the South African Communist Party and the Congress of South African trade Unions). He said Zuma's administration was being haunted by the ghosts of his predecessor, former President Thabo Mbeki whose administration strained the policy consensus within the tripartite alliance. Trollip was scathing in his attack and said the state presidency was being held hostage by the politically powerful majority ANC, noting that "the Secretary-General of the ANC is not the President." Trollip accused Zuma of expanding the government too rapidly resulting in a growth in bureaucracy. He also responded to reports in the media stating that the ANC would like to reorganize domestic governance by doing away with South Africa's provinces. "We will not allow the ANC to stop us (DA) governing the province (the Western Province) we won in a free and fair election," Trollip said.